



SACHI A. HAMAI
Chief Executive Officer

County of Los Angeles CHIEF EXECUTIVE OFFICE

Kenneth Hahn Hall of Administration
500 West Temple Street, Room 713, Los Angeles, California 90012
(213) 974-1101
<http://ceo.lacounty.gov>

"To Enrich Lives Through Effective And Caring Service"

Board of Supervisors
HILDA L. SOLIS
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Fifth District

March 15, 2016

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Dear Supervisors:

ADOPTED

BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

16 March 15, 2016

LORI GLASGOW
EXECUTIVE OFFICER

**LEASE AMENDMENT
DEPARTMENT OF HUMAN RESOURCES
CHIEF EXECUTIVE OFFICE
3333 WILSHIRE BOULEVARD, LOS ANGELES
(SECOND DISTRICT)
(3 VOTES)**

SUBJECT

A five-year amendment to renew the lease for approximately 56,292 square feet of office space, and 225 parking spaces for the Department of Human Resources and the Chief Executive Office.

IT IS RECOMMENDED THAT THE BOARD:

1. Find that the proposed lease amendment is categorically exempt from the provisions of the California Environmental Quality Act pursuant to Class 1 of the Environmental Document Reporting Procedures and Guidelines adopted by the Board of Supervisors, per Section 15301 of the State of California Environmental Quality Act Guidelines (Existing Facilities).
2. Approve and instruct the Chair to sign the five-year lease amendment with 3333 Wilshire, LLC. The lease amendment will provide the Department of Human Resources and the Chief Executive Office uninterrupted use of approximately 56,292 rentable square feet of office space, and 225 parking spaces. The maximum annual total lease cost is \$1,472,604. The Department of Human Resources and Chief Executive Office lease costs are 100 percent offset from intra-fund transfers and revenue.
3. Authorize the Chief Executive Officer and the Director of Human Resources to proceed with the lease amendment, which will be effective upon approval by the Board of Supervisors.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The existing lease has been on holdover since September 2015, at a below-market rent that includes parking. The holdover section of the Lease allows 3333 Wilshire, LLC (Lessor) to give notice to cancel the Lease after 60 days of holdover. On November 3, 2015, the Lessor delivered a notice to terminate the Lease effective December 7, 2015, which the Lessor later rescinded upon commencement of negotiations to renew the Lease.

The rental market has changed significantly since commencement of the original lease in 1999. Wilshire corridor rents have increased significantly, and parking is at a premium. Thus, the rental rate provided in the current Lease is below market, and the Lessor has demanded an increase that is representative of the market.

The Department of Human Resources (DHR) and Chief Executive Office (CEO) are planning to relocate their programs from this location to alternate sites that remain to be identified. Therefore, DHR and CEO have agreed to extend the current lease for a five-year term with cancellation rights that may be exercised by DHR or the CEO, at any time during the term, upon 90 days advance written notice for their respective spaces with a proportionate reduction in the rent.

The proposed lease amendment will provide DHR and CEO uninterrupted use of the premises consisting of various portions of the first, third, eighth, and tenth floors of the facility. DHR programs at this location, with a staff of 196, provide direct services that include exam administration, training, employee benefits administration, appeals, human resources assistance, and personnel investigations. The CEO, Risk Management Branch, with a staff of 60, administers the County's risk management programs to evaluate significant Countywide risks, and implement strategies to mitigate financial losses.

Implementation of Strategic Plan Goals

The Countywide Strategic Plan Goal of Operational Effectiveness/Fiscal Sustainability (Goal 1) directs that we maximize the effectiveness of processes, structure, operations, and strong fiscal management to support timely delivery of customer-oriented and efficient public services; and the Goal of Community Support and Responsiveness (Goal 2) directs that we enrich lives of Los Angeles County residents by providing enhanced services, and effectively planning and responding to economic, social, and environmental challenges. The proposed amendment supports these goals with a centrally located facility to support DHR and CEO related services. The proposed amendment is in conformance with the Asset Management Principles as outlined in Attachment A.

FISCAL IMPACT/FINANCING

The proposed full-service gross lease will provide approximately 56,292 square feet of office space, and 225 non-exclusive parking spaces included in the base rent. The proposed annual rent is \$1,472,604, or \$26.16 per rentable square foot. The increase is representative of the current rental market, and reflects the market increases since the commencement of the original lease.

Sufficient funding for the proposed lease amendment is included in the Fiscal Year (FY) 2015-16 Rent Expense budget, and the DHR portion will be charged back to the departments. Both DHR and CEO have sufficient funding in their respective FY 2015-16 operating budgets to cover the projected lease costs. DHR and CEO lease costs are 100 percent offset from intra-fund transfers and revenue. Attachment B is an overview of the lease costs.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

The proposed lease amendment will provide DHR and CEO continued use of approximately 56,292 rentable square feet of office space, and 225 parking spaces included in the base rent. The proposed lease includes the following provisions:

- The five-year term will commence upon adoption by the Board of Supervisors.
- Pursuant to the existing lease, the base rent will remain subject to Consumer Price Index (CPI) adjustment not to exceed 3 percent.
- The County will have the right to cancel the lease at any time during the lease term upon 90 days prior written notice.

County Counsel has reviewed the attached amendment and has approved it as to form.

The CEO, Real Estate Division staff surveyed the immediate area to determine the availability of comparable and more economical sites. Staff was unable to identify any sites in the surveyed area that could accommodate this requirement more economically. Based upon the survey, staff has established that the annual rental range for similar space is between \$20.40 and \$27 per rentable square foot on a full-service gross basis, including parking. The annual rental rate of \$26.16 per square foot, including parking, is within market range for full-service rates in the area. Attachment C shows all County-owned and leased facilities countywide of equal or greater size, and no County-owned or leased facilities are available for this program.

The proposed lease amendment will continue to provide a central location consistent with the County's Facility Location Policy, adopted by the Board of Supervisors on July 24, 2012, as outlined in Attachment D.

The Department of Public Works inspected the facility and has found it suitable for County occupancy, and the Lessor has ensured path of travel requirements have been, or will be met. Additionally, a childcare facility is not feasible at the proposed leased premises.

ENVIRONMENTAL DOCUMENTATION

The CEO concluded that this project is exempt from the California Environmental Quality Act (CEQA) as specified in Class 1 of the Environmental Document Reporting Procedures and Guidelines adopted by the Board, and Section 15301 of the State CEQA Guidelines (Existing Facilities).

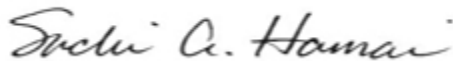
IMPACT ON CURRENT SERVICES (OR PROJECTS)

It is the finding of the CEO that the proposed lease amendment will allow DHR and CEO to continue to provide uninterrupted programs and services from the subject facility. There will be no impact on current services. DHR and CEO concur with this recommendation.

CONCLUSION

It is requested that the Executive Office, Board of Supervisors, return three originals of the executed amendment, the adopted stamped Board letter and two certified copies of the Minute Order, to the CEO, Real Estate Division, 222 South Hill Street, Fourth Floor, Los Angeles, CA 90012.

Respectfully submitted,



SACHI A. HAMAI

Chief Executive Officer

SAH:DPH:CMM

TS:MM:gw

Enclosures

c: Executive Office, Board of Supervisors
County Counsel
Auditor-Controller
Human Resources

**DEPARTMENT OF HUMAN RESOURCES
CHIEF EXECUTIVE OFFICE
3333 WILSHIRE BOULEVARD, LOS ANGELES
Asset Management Principles Compliance Form¹**

1.	<u>Occupancy</u>		Yes	No	N/A
	A	Does lease consolidate administrative functions? ²	X		
	B	Does lease co-locate with other functions to better serve clients? ²	X		
	C	Does this lease centralize business support functions? ²			X
	D	Does this lease meet the guideline of 200 sq. ft of space per person? ²	X		
	E	Does lease meet the 4/1000 sq. ft. parking ratio guideline? ²	X		
	F	Does public parking and mass-transit exist to facilitate employee, client and visitor access to the proposed lease location? ²	X		
2.	<u>Capital</u>				
	A	Is it a substantial net County cost (NCC) program? ² The Department of Human Resources and Chief Executive Office lease costs are 100 percent offset by intra-fund transfers and revenue.	X		
	B	Is this a long term County program?	X		
	C	If yes to 2 A or B; is it a capital lease or an operating lease with an option to buy?		X	
	D	If no, are there any suitable County-owned facilities available?	X		
	E	If yes, why is lease being recommended over occupancy in County-owned space? Some DHR staff is being relocated to available space at the Hall of Administration.			
	F	Is Building Description Report attached as Attachment C?	X		
	G	Was build-to-suit or capital project considered? ² The proposed space is available at a competitive market rental rate and the amendment provides a favorable Lessee cancellation right to accommodate a DHR/CEO relocation in the near term. Therefore, a build-to-suit or capital project is not feasible.		X	
3.	<u>Portfolio Management</u>				
	A	Did department utilize CEO Space Request Evaluation (SRE)?	X		
	B	Was the space need justified?	X		
	C	If a renewal lease, was co-location with other County departments considered?			X
	D	Why was this program not co-located?			X
		1. ____ The program clientele requires a "stand alone" facility.			
		2. <u>X</u> No suitable County occupied properties in project area.			
		3. <u>X</u> No County-owned facilities available for the project.			
		4. ____ Could not get City clearance or approval.			
		5. ____ The Program is being co-located.			
	E	Is lease a full service lease? ²	X		
	F	Has growth projection been considered in space request?	X		
	G	Has the Dept. of Public Works completed seismic review/approval?	X		
¹ As approved by the Board of Supervisors 11/17/98					
² If not, why not?					

**FISCAL IMPACT/FINANCING
OVERVIEW OF PROPOSED LEASE**

3333 WILSHIRE BOULEVARD	EXISTING LEASE	PROPOSED AMENDMENT	CHANGE
Area (square feet)	56,292	56,292	None
Term	Five years 09/07/10-09/06/15 currently on holdover	Five years upon Board adoption	+Five years
Maximum Annual Lease Cost	\$1,246,824 \$22.15/sq. ft.	\$1,472,604 \$26.16/sq. ft.	+\$225,780 +\$4.01/sq. ft.
Cancellation	Any time after 24 months upon 90 days prior written notice	Any time upon 90 days prior written notice	- 24 months
Parking (included in rent)	225 spaces	225 spaces	None
Option to Renew	One five-year option at 95 percent of fair market rental value	None	No options remain
Annual Base Rental Adjustment	CPI capped at 3%	CPI capped at 3%	None

**DEPARTMENT OF HUMAN RESOURCES
CHIEF EXECUTIVE OFFICE
3333 WILSHIRE BOULEVARD, LOS ANGELES**
Countywide search

LACO	NAME	ST. NO.	ADDRESS	CITY	ZIP	OWNERSHIP	GROSS SQ. FT.	NET SQ. FT.
0001	Performing Arts Center - Walt Disney Concert Hall	111	S Grand Ave	LA	90012	Owned	52230	205100
0101	Hall of Justice	211	W Temple St.	LA	90012	Owned	426223	320477
0107	Bob Hope Patriotic Hall	1815	S Flower St.	LA	90015	Owned	115686	43135
0142	El Pueblo Redevelopment Property - Plaza House	507	N Main St.	LA	90012	Owned	15618	11154
0156	Hall of Records	320	W Temple St.	LA	90012	Owned	438095	260776
0161	Central Jail - Main Jail Building	433	Bauchet St.	LA	90012	Owned	704358	317561
0390	Med Center - Premature Infant Clinic Trailer	1715	Griffin Ave	LA	90031	Owned	2000	2000
3155	Performing Arts Center - De Lisa Building/The Annex	601	W Temple St.	LA	90012	Owned	27582	17978
3975	Ford Amphitheatre - Cultural Arts Theatre	2580	Cahuenga Blvd E	Hollywood	90068	Owned	16120	6257
5276	PH - Dr. Ruth Temple Public Health Center	3834	S Western Ave	LA	90018	Owned	25684	16627
5353	DPSS - Metro Special District Office	2707	S Grand Ave	LA	90007	Owned	109543	89650
5456	Health Services Administration Building	313	N Figueroa St.	LA	90012	Owned	25484	134851
5461	PH - Hollywood/Wilshire Public Health Center	5205	Melrose Ave	LA	90038	Owned	27500	14811
5500	Museum of Art - Ahmanson Building	5905	Wilshire Blvd	LA	90036	Owned	108708	22615
5546	PH - Central Public Health Center	241	N Figueroa St.	LA	90012	Owned	59290	34748
6304	Probation - Crenshaw Area Office	3606	W Exposition Blvd	LA	90016	Owned	19112	14020
6476	Med Center - North Hall - Building 50	1739	Griffin Ave	LA	90031	Owned	12468	8244
6477	Med Center - Phinney Hall Cancer Center - Build. 40	1721	Griffin Ave	LA	90031	Owned	19349	12832
6478	Med Center - Tower Hall - Building 30 (Nursing)	1711	Griffin Ave	LA	90031	Owned	6668	4343
6479	Med Center - Building 10/20 - Pediatric Clinic	1237	N Mission Rd	LA	90031	Owned	33738	19927
6483	Med Center - Masonry Shop Office - Building 100	1739	Griffin Ave	LA	90031	Owned	1040	950
6519	Central Jail - Jail Addition	441	Bauchet St.	LA	90012	Owned	376837	181886
6576	George C. Page Museum At The La Brea Tar Pits	5801	Wilshire Blvd	LA	90036	Owned	16000	43427
A216	DPSS - Appeals & State Hearings	811	Wilshire Blvd Suite 1118	LA	90017	Leased	4512	4286
A218	Mental Health - Skid Row Management Team	420	S San Pedro St.	LA	90013	Leased	18993	18043
A321	DMH - HIV/Hollywood Mental Health Services	1224	N Vine St.	Hollywood	90038	Leased	23400	21060
A336	Sheriff - Wilshire Centre Building	3055	Wilshire Blvd	LA	90010	Leased	7755	7115
A360	DPSS - Metro North AP/Calworks District Office	2601	Wilshire Blvd	LA	90057	Leased	62000	60140
A405	BOS/Arts Commission - Wilshire - Bixel Building	1055	Wilshire Blvd Ste. 800	LA	90017	Leased	7873	7479
A413	Human Resources - Wilshire Square Two Building	3333	Wilshire Blvd	LA	90010	Leased	21945	19750
A424	DPSS - Equitable Plaza Building	3435	Wilshire Blvd	LA	90010	Leased	65871	62577
A425	DCFS - Headquarters Building	425	Shatto Pl	LA	90020	Leased	81912	77816
A436	DPSS - Exposition Park Family Service Center	3801	S Vermont Ave	LA	90037	Leased	127511	110500
A532	PH Health - Wilshire Metroplex Building	3530	Wilshire Blvd	LA	90010	Leased	62901	56611
A578	Auditor - Shared Services Initiative	3470	Wilshire Blvd	LA	90010	Leased	21500	20425
A627	County Admin Offices - LA World Trade Center	350	S Figueroa St.	LA	90071	Leased	23353	22185
A632	Office of Inspector	312	S Hill St. Grand Centl Market	LA	90012	Leased	9782	9293
A673	DCFS - West Los Angeles (SPA 5) & WLA - MCMS	5757	Wilshire Blvd	LA	90036	Leased	35548	29923
A674	DMH - Hollywood Wellness Center	5000	W Sunset Blvd	LA	90027	Leased	5588	5309
A675	DA - Metro Court/DCFS Metro North/ERCP/Call Center	1933	S Broadway	LA	90007	Leased	142360	135242
B426	DMH - Adult Systems of Care - FSP	426	S San Pedro St.	LA	90013	Leased	6500	6175
B436	DPSS - Exposition Park Family Child Care Center	1024	W 38th St.	LA	90037	Leased	5636	4791
B446	Skid Row Clinic	512	S San Pedro St.	LA	90013	Leased	20628	19597
B500	DHS - Workforce Development Program	500	S Virgil Ave	LA	90020	Permit	8000	7200
B695	PH - Immuniz&Envir Health/Mental Health	695	S Vermont Ave	LA	90010	Leased	14730	6279
B913	DHS - Weingart Healthcare and Drug Rehab Center	511	E 6th St.	LA	90021	Leased	10408	9887
B922	DPSS - Wilshire Special District Office	2415	W 6th St.	LA	90057	Leased	46228	39700
C250	DMH - West Central Mental Health Services	3751	Stocker St.	LA	90008	Leased	19936	13575
C364	Health - Child Health Conference	2630	Pepper Ave	LA	90065	Permit	0	0
C760	DPSS - East LA Grow Employment Services Center	2200	N Humboldt St.	LA	90031	Leased	23655	17554
L360	DPSS - Metro North/CalWORKs District	2601	Wilshire Blvd	LA	90057	Leased	501000	40
L611	Otis Garage (DPSS - Wilshire Special District)	611	S Carondelet St.	LA	90057	Leased	58450	0
T050	H. Claude Hudson Comprehensive Health Clinic	2901	S Hope St.	LA	90007	Owned	2400	2160
X317	DCSS - Le Sage Complex 4 Story Building	3175	W 6th St.	LA	90020	Owned	52230	42341
X333	DHS - Juvenile Court Health Services/Mental Health	1925	Daly St.	LA	90031	Owned	16878	6668
X550	Mental Health - Le Sage Complex Tower	550	S Vermont Ave	LA	90020	Owned	182000	149668
X610	Museum of Art - Hammer Building	5905	Wilshire Blvd	LA	90036	Owned	51238	20955
X612	Museum of Art - Anderson Gallery	5905	Wilshire Blvd	LA	90036	Owned	250000	212500
X613	Museum of Art - Shin En' Kan Japanese Pavilion	5905	Wilshire Blvd	LA	90036	Owned	30000	25500
Y013	DPSS - Civic Center District/Grow Center Office	813	E 4th Pl	LA	90013	Owned	39956	25158
Y150	Exposition Park Building & Parking Structure	1011	W Browning Blvd	LA	90037	Owned	66484	55228
Y193	Parks & Recreation - Headquarters Building	433	S Vermont Ave	LA	90020	Owned	31862	21777
Y338	DHS - Claude Hudson Comprehensive Health Center	2829	S Grand Ave	LA	90007	Owned	82740	41831
Y788	Med Center - Livingston Reproductive Bio Lab Annex	1319	Griffin Ave at Mission Rd	LA	90031	Owned	6000	4530

FACILITY LOCATION POLICY ANALYSIS

Proposed Lease: A five-year amendment to renew the lease for the Department of Human Resources (DHR) and the Chief Executive Office (CEO) – 3333 Wilshire Boulevard, Los Angeles – 2nd District – Option to cancel at any time during the lease term.

A. Establish Service Function Category – Regional and local service function.

Determination of the Service Area – The existing lease has been on holdover since September 2015. The proposed lease amendment will provide DHR and CEO uninterrupted use of the premises consisting of various portions of the first, third, eighth and tenth floors of the facility.

DHR programs at this location, with a staff of 162, provide direct services that include exam administration, training, employee benefits administration, appeals, HR assistance and personnel investigations. The CEO Risk Management Branch, with a staff of 86, administers the County's risk management policies and guidelines to protect the investments and assets of the County from catastrophic or accidental loss.

B. Apply Location Selection Criteria to Service Area Data

- Need for proximity to service area and population: DHR and CEO programs are most effective when located in the same geographic area as their consumers, providers, and stakeholders.
- Need for proximity to existing County facilities: N/A
- Need for proximity to Los Angeles Civic Center: N/A
- Economic Development Potential: The surrounding area is in the process of improving existing facilities, revitalization and sparse new development.
- Proximity to public transportation: The location in the Wilshire Corridor is adequately served by transit services and is immediately accessible from the 110 and 10 freeways.
- Availability of affordable housing for County employees: The surrounding area provides affordable rental opportunities.
- Use of historic buildings: N/A

- Availability and compatibility of existing buildings: The City of Los Angeles has been notified of the proposed County usage which is consistent with its use and zoning for office space at this location. The Department of Public Works inspected the facility and found it suitable for County occupancy. Notification letters have been sent pursuant to Government Code Sections 25351 and 65402.
- Compatibility with local land use plans: The Department of Public Works inspected the facility and found it suitable for County occupancy.
- Estimated acquisition/construction and ongoing operational costs:
The maximum annual total lease cost which consists of the base rent and parking is \$1,472,599. Pursuant to the underlying lease, the Lessor will remain responsible for all operating costs associated with the County's occupancy.

Sufficient funding for the proposed lease is included in the Fiscal Year (FY) 2015-16 Rent Expense budget and will be charged back to the departments. Both DHR and CEO have sufficient funding in their respective FY 2015-16 operating budgets to cover the projected lease costs. DHR and CEO lease costs are 100 percent offset by intra-fund transfers and revenue.

C. Analyze results and identify location alternatives – The CEO, Real Estate Division staff surveyed the immediate area to determine the availability of comparable and more economical sites. Staff was unable to identify any sites in the surveyed area that could accommodate this requirement more economically. Based upon the survey, staff has established that the annual rental range for similar space is between \$20.40 and \$27.00 per rentable square foot on a full service gross basis, including parking. The annual rental rate of \$26.16 per square foot, including parking, is in the high range for full service market rates in the area.

D. Determine benefits and drawbacks of each alternative based upon functional needs, service area, cost and other Location Selection Criteria – Both DHR and the CEO plan to relocate in the near future. Given the foregoing, both departments will continue to provide a location consistent with the County's Facility Location Policy, adopted by the Board of Supervisors on July 24, 2012.

**AMENDMENT NO. 3 TO LEASE NO. 71245
3333 WILSHIRE BOULEVARD, LOS ANGELES**

THIS AMENDMENT NO. 3 TO LEASE AGREEMENT NO. 71245 ("Amendment No. 3") is made, entered and dated as of this 15th day of March, 2016 by and between 3333 WILSHIRE, LLC, a California limited liability company ("Lessor"), and the COUNTY OF LOS ANGELES, a body corporate and politic ("Lessee").

RECITALS

WHEREAS, a Lease by and between Core Investment Group, LLC, as Lessor, and the County of Los Angeles as Lessee was executed February 10, 1998 (the "Lease"), pursuant to which Lessor leased to Lessee those certain Premises located at 3333 Wilshire Boulevard, Los Angeles, California consisting of approximately 31,500 rentable square feet of office space and 141 structured and surface parking spaces, (the "Premises"), and;

WHEREAS, Amendment No. 1 to Lease No. 71245, by and between 3333 Wilshire, LLC, successor-in-interest to Core Investment Group, LLC, and the County of Los Angeles, was executed June 18, 2002, which among other points, increased the size of the Premises to approximately 54,359 rentable square feet and the number of parking spaces to 217, and;

WHEREAS, Amendment No. 2 to Lease No. 71245, by and between 3333 Wilshire, LLC, and the County of Los Angeles, was executed September 7, 2010, which among other points increased the size of the Premises to approximately 56,292 rentable square feet and the number of parking spaces to 225, increased the rental rate and prepared the Premises for the County's use, and;

WHEREAS, 3333 Wilshire, LLC, is the lawful successor-in-interest to Core Investment Group, LLC and 3333 Wilshire, LLC, retains all rights and responsibilities granted as a result thereof, and;

WHEREAS, Lessee's Chief Executive Office (CEO) and Department of Human Resources (DHR) continue to occupy the Premises under Amendment No. 2 to Lease No. 71245, and;

WHEREAS, 3333 Wilshire, LLC, acknowledges that the terms of this Amendment No. 3 to Lease No. 71245 will not become effective until such time that said Amendment is adopted by the Board of Supervisors of the County of Los Angeles, and;

WHEREAS, Lessor and Lessee desire to, among other points, amend the terms of the Lease to extend the term of the Lease and increase the rental rate;

NOW, THEREFORE, in consideration of the foregoing recitals, which are hereby deemed a contractual part hereof and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged and the rents, covenants and agreements herein contained, Lessor and Lessee hereby covenant and agree as follows:

1. **TERM:** Paragraph 2.A., ORIGINAL TERM, is hereby amended such that upon adoption of this Amendment No. 3, by the Board of Supervisors of the County of Los Angeles, unless cancelled or otherwise terminated in accordance with the provisions of the Lease, the term of this Lease is hereby extended such that it shall end five years thereafter (the "Commencement Date").

2. **RENT:** Paragraph 3, RENT, is hereby deleted in its entirety and the following is substituted therefor:

The first full calendar month's rent shall be due and payable in the total amount of \$122,716.56, or \$2.18 per rentable square foot of the Premises as defined in the Lease. A monthly installment in the same amount, subject to the adjustments described herein below, shall be due and payable without demand on or before the first day of each calendar month succeeding the Commencement Date during the Term, except that Rent for any fractional calendar month at the commencement or end of the Term shall be prorated on a daily basis, provided that Landlord shall file a payment voucher with the Auditor of the County of Los Angeles (the "County") for the monthly Rent prior to the Commencement Date for the initial month(s) of the Term up to and including June, and annually thereafter in June for the ensuing 12 months.

3. **RENTAL ADJUSTMENT:** Paragraph 27, RENTAL ADJUSTMENT, is hereby amended such that all reference to \$95,696.40 shall be replaced by \$122,716.56.
4. **CANCELLATION:** Paragraph 5, CANCELLATION, is hereby deleted in its entirety and the following is substituted therefor:

Lessee shall have the right to cancel this Lease, at or any time during the Lease Amendment No. 3 term, by giving Lessor not less than ninety (90) days prior written notice by Chief Executive Office letter. Lessee shall have the right to cancel this Lease for the entire Premises, or for the Premises occupied by the CEO, with a proportionate reduction in the rent, including parking. Any exercise by Lessee of its cancellation right for the Premises occupied by the CEO shall not affect Lessee's enduring right to cancel the Lease for the remaining Premises.

5. Wherever a conflict exists between the terms of this Amendment No. 3 and prior amendments, or the original Lease, the terms and conditions of Amendment No. 3 shall prevail. All other terms and conditions of the Lease remain unchanged and are hereby reaffirmed in full force and effect.

IN WITNESS WHEREOF, the Lessor has executed this Amendment No. 3 to Lease Agreement No. 71245, or caused it to be duly executed and the Lessee by order of its Board of Supervisors has caused this Amendment No. 3 to be executed on its behalf by the Chair of said Board and attested by the Clerk thereof the day, month, and year first above written.

LESSOR:

3333 WILSHIRE, LLC

a California limited liability company

By

PHILIP LEE

Its

CEO

By

Its

ATTEST:

LORI GLASGOW

Executive Officer

Clerk of the Board of Supervisors

LESSEE:

COUNTY OF LOS ANGELES

a body politic and corporate

By:

Lachelle Smitherman
Deputy

By:

Hilda L. Solis
Hilda L. Solis, Chair
Los Angeles County

APPROVED AS TO FORM:

MARY C. WICKHAM

County Counsel

By

Mary C. Wickham
Deputy



I hereby certify that pursuant to section 25103 of the government code, delivery of this document has been made

LORI GLASGOW

Executive Officer

Clerk of the Board of Supervisors

By:

Lachelle Smitherman
DEPUTY

ADOPTED

BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

16

MAR 15 2016

Lori Glasgow
LORI GLASGOW

EXECUTIVE OFFICER